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U.S. Voices Regret to France on News Report

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PARIS, Oct. 23 — The United States Ambassador to France expressed regret today to the French Government over an article that appeared in an American newspaper, and said he would ask the United States Attorney General's Office to determine how the newspaper had come to use classified embassy cablegrams in the article.

Ambassador Evan Galbraith made the statement after publication of a report from New York in Friday's issue of The Wall Street Journal. The article reported that cablegrams to the State De-

partment bearing the ambassador's signature told of French Government pressure on American banks to underwrite a \$4 billion loan to France.

Mr. Galbraith's expression of regret about the article was announced in a communiqué issued this afternoon by the Ministry of Economy and Finance. The ministry also rejected any allegations that France had placed any constraint on American banks.

In a telephone interview after release of the ministry statement, Mr. Galbraith, a banker appointed to his post by President Reagan, said he initiated the exchange today with the French Government.

"Somehow or other, a reporting telegram, one of a series of them, confidential and classified documents, was put into the hands of The Wall Street Journal," he said. "This in itself is illegal and I am notifying the Attorney General. Secondly, the article was entirely misleading. I wanted to be sure that the French Government was not damaged by this and I did state our regrets."

[Efforts to reach officials of The Wall Street Journal for comment were unavailing today. Telephone calls to the offices, which are normally closed on Saturday, went unanswered, as did calls to the homes of several executives of the newspaper.]

The newspaper's account, appearing under a New York dateline, quoted from what it said was one of the ambassador's messages concerning the loan in this passage:

"Mr. Galbraith cabled that '... American banks from the beginning felt vulnerable to French pressure because of the banks' activity in France. (U.S. banks) made it clear that, from the beginning, the U.S. banks' subscriptions to the loan were motivated out of fear that the French could retaliate, specifically with negative decisions on outstanding requests now before French authorities.'"

Mr. Galbraith said he had not written any of the cablegrams. Rather, he said,

it is normal State Department practice that all cablegrams leaving a post are signed off by the ambassador when he is present in the country.

The ambassador said the messages were "reporting cables." The newspaper, he said, made a "despicable story" out of them.

When he was asked to explain references in the cablegrams to the Finance Ministry, Mr. Galbraith said the attitude of the ministry was not represented, "just perhaps some guy way down the line."

The loan, which France began to seek a month ago, is a standby facility that the Government here could draw on when needed, mainly to support the French franc in exchange markets. Because the French had not borrowed in the market in several years, Mr. Galbraith said, "they took some very strong positions that were resisted and these created arguments."

"Most all of this was satisfactorily worked out from the banks' point of view and the loan was arranged," he said.

Mr. Galbraith referred to the publication of the cablegrams as a "criminal matter" that, he said, "gave a routine dispute a great deal of meaning."

The ministry's statement today maintained that "all during the placement of this loan there was strict avoidance of all contact by the ministry with the banks likely to subscribe." The ministry's only involvement with a bank during the subscription was with the loan manager, La Société Générale, the communiqué said.